



City of Santa Barbara
Infrastructure Financing Taskforce
Meeting

June 19, 2008

11:45 a.m. – 1:45 p.m.

Cater Water Treatment Facility Conference Room

City Staff Members

James L. Armstrong

City Administrator

Robert D. Peirson

Director of Finance

Paul A. Casey

Community Development Director

Jill Taura

Budget Manager

Kathy Kefauver

Administrative Analyst III

Lori Pedersen

Administrative Analyst

City Council Liaison

Roger L. Horton

Councilmember

Finance Committee, Chair

Committee Members

Richard Jensen, *Chair*

Stephen Kurtzer, *Vice-Chair*

W. Scott Burns

Robert Geis

Renee Grubb

Dudley Morris

Frank Schipper

MINUTES

1. Call to Order

Meeting was called to order at 11:54 a.m.

Members Present

Chair Richard Jensen

Scott Burns, Robert Geis, Dudley Morris, Stephen Kurtzer; Renee Grubb

Members Absent

Frank Schipper

Staff Present

James L. Armstrong, City Administrator

Robert D. Peirson, Finance Director

Christine F. Andersen, Public Works Director

Paul A. Casey, Community Development Director

Jill Taura, Budget Manager

Rebecca Bjork, Water Resources Manager

Susan Thomson, Water Treatment Superintendent

Lori Pedersen, Administrative Analyst

2. Public Comments

None.

Jim Armstrong introduced the new Public Works Director, Christine Andersen and gave a brief summary of her background.

3. Approval of minutes for June 5, 2008.

The minutes were approved as submitted.

4. Conference Call with John Sheldon from Morgan Stanley.

Bob Peirson introduced Mr. Sheldon and gave some background. Mr. Sheldon gave a brief history of his relationship working with the City of Santa Barbara and his professional background.

Discussion followed regarding the City's investment standing, rating levels and the impact of the General Fund support of the Airport Bond. The money saved annually by having the General Fund back the bond is 40-50 basis points or approximately \$180,000 annually. Bond insurance was also discussed and Mr. Sheldon said that the insurance would be solicited but that it would only be purchased if it made sense. Insurance costs have escalated and there are only two firms still issuing this insurance.

Chair Jensen asked about the dedicated income tax stream that some communities are making use of. Mr. Sheldon explained that it could be viable if there was no impact to other City projects, but the dedication of the funds limits the ability of where the money can be used.

Mr. Kurtzer asked Mr. Sheldon if there were other tools that were available to the City in funding infrastructure. Mr. Sheldon responded that the City has made good use of the tools that are available.

5. Report Discussion

The Taskforce reviewed sections of the Draft Report.

In the discussion on Financial Mechanisms it was felt that nothing was missing from the City's toolbox. Discussion about dedicated income tax stream would be added to this section.

Comparison to other cities should be discussed but how to present this information is still under discussion.

Councilmember Horton requested that the Taskforce provide guidance to the Finance Committee on items that are covered in Resolution 95-157.

More information is need on the Capital Improvement Program and how needs are identified. This information could be shown in the report through a graphic dashboard.

Paul Casey offered to provide the Taskforce with an Economic Development paper. The Taskforce agreed that it would be useful to have that information.

Mr. Kurtzer stated that he thought the effort of the Taskforce should be on what needs to be done but not necessarily how to do it.

6. Site Tour of Treatment Plant.

7. Adjournment

The meeting was adjourned at 2:15 p.m.